



City of Fairfax

Mayor Robert F. Lederer

City Council

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August 4, 2004

**STATE CORPORATION COMMISSION
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AUG - 6 2004

**DIVISION OF COMMUNICATIONS
RICHMOND, VA**

**Larry J. Kubrock
Senior Telecommunications Specialist
Division of Communications
P.O. Box 1197
Richmond, Virginia 23218**

Dear Mr. Kubrock:

Please find enclosed the completed questionnaire for consideration by you for participation in the study related to the placement of utility distribution lines underground. This has been an interest of mine for many years. I appreciate the opportunity to be involved in the study of this important issue. Should I be selected for the commission, I wish to have our City Manager, Robert Sisson, appointed as my alternate.

Thank you for your time and interest in this important work.

Very truly yours,

**Joan W. Cross
City Council Member
City of Fairfax**

**cc: Robert Sisson, City Manager
City of Fairfax**

HJR 153 FEASIBILITY STUDY

GENERIC QUESTIONS

1. Please identify the major issues/questions that should be addressed by the HJR153 feasibility study.
 - a. What role should the utility companies have in improving the visual environment in the Commonwealth of Virginia?
 - b. Should the utility companies alone be making decisions affecting the safety and the quality of life for the people of the Commonwealth of Virginia or should the people (through their elected representatives) be making those decisions?
 - c. What steps can the Commonwealth take to address the 29% federal TERF tax issue and settle it once and for all as it relates to the goal of placement of utility lines underground?
 - d. What funding mechanisms can be put in place to pay for placement of utility lines underground?
 - e. What process should be used to prioritize the relocation of existing utilities underground throughout the Commonwealth?
2. Please describe the potential benefits to the public and utility companies associated with the undergrounding of overhead distribution lines.
 - a. Safety
 - i. Elimination of downed utility poles/wires hazards.
 - ii. Elimination of vehicle-utility pole accidents.
 - iii. Improved safety for utility workers from falls.
 - iv. Improved safety for utility workers from vehicle accidents in work zones.
 - b. System Reliability
 - i. Fewer widespread outages due to storms and hurricanes.
 - ii. Less effect on equipment of weather extremes, i.e. longer life.
 - c. Cost
 - i. Fewer storm and hurricane damages.
 - ii. Lower work zone costs.
 - iii. Improved economic development opportunities for local governments.
 - d. Environment
 - i. Improved visual aesthetics.
 - ii. Eliminate damage to trees from excessive pruning.

3. Please describe the potential negative impacts on the public and utility companies associated with the undergrounding of overhead distribution lines.

- a. Initial cost of implementation.
- b. Increased "Miss Utility" activity.

4. Please describe in detail the potential obstacles associated with the implementation of a program to relocate overhead distribution lines to underground (for example, statutory, regulatory, technological, economic, safety, and physical obstacles).

- a. 29% Federal TERF tax
- b. Utility company goals and policies –the utility companies cannot typically make any profit on this type of work as it is not viewed as a service enhancement and it has been generally discouraged.
- c. Physical constraints to construction such as other utilities, space requirements for new facilities and, type of construction required.

5. Please describe the process for identifying and securing right-of-way easements for the relocation of existing overhead distribution lines to underground. What property rights issues would be raised as a result?

As utility undergrounding would serve a public purpose, existing powers of eminent domain would appear to be sufficient.

6. In order of importance, list the criteria that should be considered to determine whether the implementation of a program to relocate overhead distribution lines to underground is desirable.

- a. Public input
- b. Public policy
- c. Safety
- d. Technical feasibility
- e. Cost

7. In order of preference, describe the potential options for funding the relocation of overhead distribution lines to underground and explain the basis of your recommendation.

Benefits are to be enjoyed by all residents of the Commonwealth, so sharing the cost in utility expenditures is the most equitable method. In order of preference, funding should be provided by:

- a. Utility companies
- b. State taxes
- c. Local taxes

8. Should one or more pilot programs be conducted to determine more precisely the benefits, costs and obstacles associated with the implementation of a program to relocate overhead distribution lines to underground? If pilot programs should be conducted, how could and should the pilot programs be funded?

No pilot programs are necessary. There are enough project examples in the state.

9. Considering the costs, benefits and obstacles associated with the implementation of an undergrounding program, should the General Assembly require utilities to place all or a portion of existing and/or new overhead distribution lines underground? Alternatively, should such decisions be left to local government? Please explain your answer.

It should be a statewide requirement that all new development have utilities placed underground. There should be set up a program to place all existing lines underground in developed areas by a certain target date. Local governments do not have sufficient authority to dictate such requirements to the utility companies. Regulation of utilities is a state function.

10. What obstacles, if any, currently prevent a local government from enacting an ordinance establishing all or a part of the locality as an area in which: (a) existing overhead utility distribution lines must be relocated underground over some period of time; and/or (b) all new utility distribution lines must be located underground?

- a. State law does not specifically authorize local governments to require utilities to relocate existing utility lines underground.
- b. State law does allow for new lines to be located underground in the case of construction of new developments, but at the expense of the developer.

11. For the specific purpose of funding the undergrounding of existing overhead utility distribution lines, what obstacles, if any, currently prevent a local government from levying a special tax on the residents and businesses of an area within the locality in which the local government has enacted an ordinance requiring the undergrounding of utility distribution lines? Would such a special tax assessment require specific new authorization from the General Assembly?

Current law allows for formation of special taxing districts that have been interpreted to include placement of utilities underground. To avoid potential litigation, it would be helpful to have the law revised to specifically include the placement of utilities underground as an eligible expense.

12. Interested parties are invited also to address all other legal and policy issues they believe relevant to this investigation.

- a. There should be an independent board to review the technical requirements of underground facilities for each utility to assure that the safety of the public is protected and that cost efficiency is considered in the technical process.
- b. There should be schedule constraints placed on the utilities to perform undergrounding projects in a timely manner.

13. Please indicate below your desired level of participation in the feasibility study.

☒ *Placed on the distribution list for all correspondence.*

☒ *Considered as an active participant in the feasibility study. If you wish to be considered as an active participant, please complete the following:*

Field of expertise Governmental

Organization City of Fairfax

14. If you are interested in participating as an active participant, would you be willing to serve also as a member of a subgroup to identify, research, and analyze specific issues and provide written summaries of specific topics of study?

☒ Yes

☐ No

15. Please provide the following contact information: Please note reference in cover letter regarding the appointment of Robert Sisson, City Manager, as alternate.

Name Joan W. Cross

Title Council Member

Mailing Address City Hall

10455 Armstrong Street

Fairfax, VA 22030

Telephone 703-278-8031 (H) Fax 703-385-7811

Email Address jcross@fairfaxva.gov
rsisson@fairfaxva.gov

Address for Mr. Sisson, City Manager, is the ^{same} as above. His office telephone number is: 703-385-7850. Fax number is the same as above.

16. Do you plan on attending the kickoff meeting in Richmond (specific location to be announced later) scheduled for 9:30 a.m., Monday, August 16, 2004?

☐ *Yes. Number of attendees representing your organization: _____*
☒ *No.*